

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 19601
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On January 24, 2006, the Income Tax Audit (ITA) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted] (petitioner) proposing additional income tax, penalty, and interest for tax year 1999 in the total amount of \$6,730.

On April 18, 2006, a timely protest and petition for redetermination was filed by the petitioner. The petitioner has not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NOD.

[Redacted] ITA, therefore, issued a NOD based on that information and adjusted the petitioner's Idaho return. We find that the tax auditor correctly recomputed the petitioner's tax liability [Redacted].

The petitioner stated in his protest that the IRS [Redacted]

On September 21, 2006, the Tax Policy Specialist (policy specialist) sent the petitioner a letter to inform him of the alternatives for redetermining a protested NOD. A follow-up letter was sent to the petitioner on November 9, 2006. The petitioner did not respond to either letter.

Idaho Code § 63-3002 states it is the intent of the Idaho legislature to make the Idaho Income Tax Code identical to the Internal Revenue Code in the way taxable income is determined. Idaho Code § 63-3069 states that, upon a final determination of any deficiency or refund of federal taxes, written notice shall be immediately sent to the State Tax Commission by

the taxpayer. IDAPA 35.01.01.890.03 Income Tax Administrative Rules states immediate notification is within 60 days of the final determination.

From the cited Idaho Code sections and the Administrative Rule, it is apparent the Idaho legislature intended any changes made to a taxpayer's federal return should be reflected on the taxpayer's Idaho return. Therefore, it is the Commission's position that the changes made to the taxpayer's federal return must be made to the taxpayer's state return.

Following the Idaho Code, the adjustments should be made to the petitioner's Idaho income tax return. The petitioner carries the burden to prove the adjustments were incorrect. The petitioner would like the Commission to re-audit what the IRS already audited. The Commission's position is the petitioner must be granted relief at the federal level before relief can be granted at the state level.

Since the petitioner has not provided the Commission with a contrary result [Redacted], the Commission must uphold the deficiency as asserted.

WHEREFORE, the Notice of Deficiency Determination dated January 24, 2006, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that petitioner pay the following tax, penalty, and interest for the year 1999:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$4,667	\$233	\$2,296	\$7,196

Interest is calculated through October 18, 2007.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioner's right to appeal this decision is enclosed with this decision.

DATED this _____ day of _____, 2007.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this _____ day of _____, 2007, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.